

FISCAL NOTE

SB 2141 - HB 2300

March 12, 2004

SUMMARY OF BILL: Increases, from \$3,000 to \$4,000 the franchise and excise tax credit for new, full-time employees in economically distressed counties. The bill also authorizes Tennessee Industrial Infrastructure Program grants or loans for up to \$1,000,000 in economically distressed counties. Currently, the Department of Economic and Community Development caps these grants or loans at \$750,000.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Estimate assumes:

- The decrease in state revenues is attributable to decreased franchise and excise tax collections due to the increased amount of the credit for new jobs in economically distressed counties. The amount of the decline is based upon franchise and excise tax collection data from 1997 to 2002.
- Because the bill does not provide increased appropriations to the Tennessee Industrial Infrastructure Program, only an increase in the limit for the loans and grants provided, there is no increase in state expenditures associated with this provision.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director